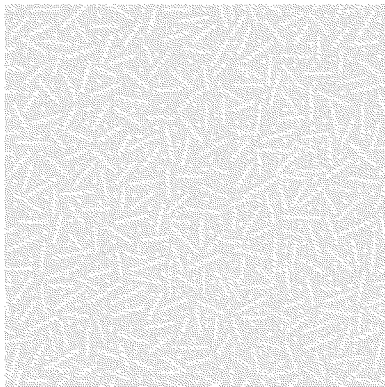


To: Ballotti, Doug[ballotti.douglas@epa.gov]; Dufficy, Joseph[dufficy.joseph@epa.gov]; Jaffess, Sharon[jaffess.sharon@epa.gov]; Short, Thomas[short.thomas@epa.gov]; Tanaka, Joan[Tanaka.Joan@epa.gov]; Borries, Samuel[borries.samuel@epa.gov]; El-Zein, Jason[el-zein.jason@epa.gov]
From: Karl, Richard
Sent: Thur 1/30/2014 1:54:07 PM
Subject: Fw: Today's Inside EPA Article on V/V

From: Newton, Cheryl
Sent: Thursday, January 30, 2014 7:10:22 AM
To: Mathur, Bharat; Hyde, Tinka; Korleski, Christopher; Kaplan, Robert; Czerniak, George; Karl, Richard; Guerriero, Margaret
Cc: Sypniewski, Bruce; Sanders, Amy
Subject: Today's Inside EPA Article on V/V



Inside EPA - 01/31/2014

EPA's Staff Buyout Plans Will Harm Agency's Oversight Role, Union Warns

Posted: January 29, 2014

EPA is quietly planning staff buyouts across all 10 of its regional offices in order to save potentially millions of dollars at a time of dwindling budgets, but the move is prompting push-back from agency union officials who warn that the workforce cuts will hinder EPA's ability to oversee and enforce environmental laws.

Some of the buyout plans -- which include a goal of losing roughly 88 full time employee equivalents (FTEs) or about 7 percent in EPA's Midwest Region V alone, according to documents obtained by *Inside EPA* -- have already been approved by the U.S. Office of Personnel Management (OPM), and an EPA spokesperson expects the other plans to be approved soon. *Relevant documents are available on InsideEPA.com. (Doc ID: [2459548](#))*

The buyouts apply primarily, but not exclusively, to staff graded between "GS13" and "GS15," some of the highest

ranks in the government, typically positions such as agency branch chiefs that supervise several employees.

But the EPA spokesperson says the targeting is based not on grade but on "skill sets possessed versus skill sets needed," and that the agency will make new hires that will lead to more efficient operations.

After securing OPM's approval for the plan, EPA is sending buyout offer letters to staff, imposing deadlines soon after for applying for the buyouts, according to an agency union source. If there are more applicants for the positions than available buyouts, EPA could ask OPM for additional authority for more buyouts, the source adds.

If there are too few buyout applications, the agency might then craft a new plan for buyouts of more "GS12" and lower-tier staff than those included in the existing buyout plans. But the EPA spokesperson says, "We will not have information on this until we have reviewed all applications."

Another union source says the plan is "taking us backwards, it's not a positive thing," and warns that fewer staff will mean fewer field inspections of facilities potentially violating environmental laws, and less efficiency at the regional level due to a smaller group of staff being tasked with handling a greater overall workload.

Although many states have delegated authority to implement federal environmental laws such as the Clean Air Act's permitting program, the source says states are also facing dwindling budgets that might prompt them to seek EPA's help processing their workloads. But the expected EPA staff buyouts will reduce the number of expert staff available for such work, which inevitably means some work will be delayed or abandoned, the source says.

One state official suggests the buyouts could have a mixed impact -- if they cut "redundant" staff that are simply replicating work done by states with delegated authority then such reductions in workforce are probably valid, but cuts to staff that handle state air quality plan reviews and some permits could end up backlogged.

The second union source suggests that EPA might try to replace some of the higher-paid staff with new employees paid a much lower salary in order to save potentially millions of dollars. But such a move would fail to quell concerns about an agency "brain drain" that was already expected at least two years ago due to the loss of critical skills and weakened agency morale caused in large part by a pending wave of retirements by thousands of EPA staff.

An internal agency report obtained by *Inside EPA* in August 2012 said that the agency will need to hire more than 3,000 employees through 2015 in order to prevent the brain drain (*Inside EPA*, Aug. 28, 2012).

EPA's buyout plan would seem counter to that report, and to the findings of a Jan. 29 Government Accountability Office report that reiterates concerns of a brain drain broadly across the federal government, saying pending staff retirements could produce "mission critical skills gaps if left unaddressed."

But the EPA spokesperson says that salary money saved as a result of the buyouts -- which could be more than \$2 million in one year in Region V alone -- will be used "so that the agency can hire individuals with skills to work across programs on cross-cutting issues, sustainability and community-based concepts."

Addressing concerns the buyouts could hinder the agency's workload, the spokesperson says, "EPA must remain on the cutting edge of scientific and technological advances and look for new ways of doing business that will enable the agency to innovate, improve organizational practices, work smarter and focus on results," and the buyouts are "one of several ways that we will be better positioned to address agency priorities and mission-critical work."

EPA Deputy Administrator Bob Perciasepe first flagged the buyout process in a Dec. 12 memo to all employees, in which he said the buyouts would help EPA to be a "high-performing organization."

Due to resource constraints for the agency throughout 2013, EPA implemented temporary agency-wide hiring policies such as hiring only one person for every two or three people who left, Perciasepe wrote, "in order to carefully manage our workforce and payroll. This approach has been difficult to manage because of the unpredictable nature of attrition, and it has challenged our ability to acquire new talent, build diversity in our staff, develop new skills and provide all of the necessary tools to do the job of protecting human health and the environment."

Perciasepe said "[b]alancing resource realities with the needs of our mission" led EPA to plan on using voluntary early retirement authority (VERA) and voluntary separation incentive payment (VSIP) "where it makes sense."

VERA allows agencies to temporarily lower their age and service requirements for eligibility for retirement, while VSIP allows agencies to offer employees lump-sum payments up to \$25,000 to voluntarily leave, according to OPM's website. Agencies must seek OPM approval for the use of either option to reduce staff levels.

"These changes are part of our effort to embrace EPA as a high-performing organization. Working across programs on cross-cutting issues, sustainability, community-based concepts and increased flexibility in the workplace are important factors in realigning our workforce. Sharing work with partners in new ways, especially states and tribes, will further support getting our mission accomplished. Strategic workforce planning is not a one-time event; it is a continuous process that ensures an organization is high performing and effectively meeting its mission," Perciasepe wrote.

The EPA spokesperson says the regional and program offices developed their own business cases for VERA/VSIPs, targeting positions and grades "that made the most sense for their organization." The spokesperson reiterates that the plans do not target solely GS13 to GS15 staff and cover "multiple GS levels and skill sets."

In the memo, Perciasepe said, "While there are no plans for an overall agency-wide VERA/VSIP at this time, you will soon be hearing from your Assistant Administrator or Regional Administrator about your office or region's specific plans, if any, for VERA/VSIP." He added, "We are working with the agency's labor unions, as well."

However, the second union source claims EPA has barely involved the American Federation of Government Employees (AFGE) -- representing many agency employees -- in planning for the buyouts.

"The agency is still not working with us," the source says, adding that while the agency has a statutory right to determine its budget and staffing, "we have a right to negotiate procedures. But there has been no chance to do that, the agency has made their decision. They've informed us after the fact," according to the source.

The source notes that based on a review of the VSIP/VERA plan for Region V, which covers Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin, EPA's buyouts will primarily target GS13 to GS15 employees. 701 positions will be targeted, and up to 146 offers will be made, the plan says. Decisions on who receives VERA and VSIP will be prioritized based on an employee's grade level and other factors, according to the plan.

Region V employs 1,160 FTEs and plans to reduce that workforce down to 1,072.3 FTEs by fiscal year 2015, the plan says. The region says the buyouts could save \$2.6 million in FY14 from reduced payroll, increasing significantly to \$17.8 million in FY15 as a result of various factors such as the \$3.65 million in VSIP buyouts only applying in FY14. The savings in FY16 are projected to be slightly less at \$17.4 million, the region says.

But the second union source believes the agency will fail to realize those savings as the buyout plan could be under-subscribed. "Even if you offer someone \$25,000, if they don't have the funds to retire, they won't. So the next thing to do is for the agency to go after the lower GS [employees]" or seek a reduction in workforce.

If the buyout plan is successful in the first phase or any future phases, the source cautions that the reduced workforce will significantly limit EPA's ability to oversee implementation of environmental laws. "The scary thing is the agency's already talking about cutting back enforcement, and you'll see more things delayed or not done."

EPA in its recent draft strategic plan for FY14-18 says that in anticipation of steep budget cuts it will have 35,000 fewer inspections, 7,900 fewer lawsuits initiated, and 9,000 fewer concluded civil suits compared to previous strategic plans, which has prompted concern from some environmentalists (*Inside EPA*, Dec. 20).

The source says that if the buyout plan succeeds, EPA should expect even less enforcement work to be done, as well as delays or halted efforts in other areas such as overseeing environmental permit applications.

The recent chemical spill by Freedom Industries into West Virginia's Elk River earlier this month is a situation that hypothetically could have been prevented with a larger EPA workforce, the source suggests, because it would likely have meant having more inspection staff available to give the facility a thorough visit. "I think that's just the tip of the iceberg, think we'll see more and more of that" if the buyout plan succeeds, the source says.

But one state official says that much of what regional EPA staff does "is review of state/local actions, so if the state/local actions are good then the regional work is redundant."

However, the source says that states need the regional EPA staff to approve permits and state implementation plans (SIPs) outlining states' air pollution reduction plans for complying with the Clean Air Act, "so EPA with fewer people is going to have to be willing to let SIPs and permits go forward with less review. If they insist on detailed reviews and have fewer resources, then the backlogs will grow and the process will falter."

AFGE's ability to block the buyout plan is all but non-existent, the second union source concedes, but says it could be raised at the union's upcoming Feb. 9-12 legislative conference in Washington, D.C. But that event will include AFGE representatives from all federal agencies and departments, so it is unclear whether EPA's buyout plan will be a topic, because, the source says, "I just don't know the extent of this action across other agencies." -- *Anthony Lacey*

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